

**Assessment of Commercial Banks' Willingness in Financing Real Estate Development in
Ogun State, Nigeria**

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Environmental Design & Management, Lead City University, Ibadan, Oyo State, Nigeria**

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Degree in Estate Management**

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Certification

This is to certify that **Shehu Tijani HASSAN** with matriculation number: **LCU/PG/005714** carried out this thesis titled: “Assessment of Commercial Banks’ Willingness in Financing Real Estate Development in Ogun State, Nigeria” in the Department of Estate Management, Faculty of Environmental Design & Management, Lead City University, Ibadan, Oyo State, for the award of Master of Science Degree (MSc) in Estate Management and that this has not been previously submitted in this institution or any other.

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Dedication

I dedicate this thesis to Almighty God who has been my helper.

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Acknowledgement

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“Even though the above institutions and persons have assisted in the process of this work, I alone is responsible for any error, if any found in this work”.

Abstract

This study examined the assessment of Commercial Banks' willingness in financing real estate development in Ogun State, Nigeria. The objectives of this study was to examine the profiles of selected Commercial banks and development organizations in Abeokuta, identify various real estate developments financed by commercial banks, assess the criteria required for financing real estate developments by commercial banks and examine factors influencing the willingness of commercial banks in financing real estate development. The Study adopted descriptive survey research design with purposive sampling techniques. Questionnaires were administered to 92 respondents which comprise of 17 Staff members of Commercial Banks, 30 Real Estate Developers and 45 Estate Surveyors and Valuer. 80 questionnaires was recovered and properly filled. Data was analyzed using descriptive and inferential statistics. Findings showed that Commercial banks provide loans as the major financial instrument for real estate, the major type of real estate development financed by Commercial banks is residential properties. Findings also showed that collateral and legal documentation are the major real estate finance criteria required by commercial banks. Results also revealed the major willingness variable that prompts Commercial banks in financing real estate development is profitability and return, Market condition with their mean score of 3.95 and 3.93 respectively. Furthermore, findings shows that Location, Risk of Project failure, Collateral availability, Return of investment and Interest rate (with their mean scores 3.92, 3.85, 3.82, 3.82, 3.65 respectively) are the factors influenced the willingness of Commercial banks in financing real estate development in Ogun State. The study recommended central bank should consider providing special intervention funds with lower interest rates dedicated to real estate development to make commercial bank financing more attractive.

Keywords: Commercial Bank, Financing, Real Estate, Real Estate Development, Willingness, Ogun State.

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